

# **SMALL BUSINESS LOAN FUND CORPORATION**

## **MINUTES OF THE BOARD OF DIRECTORS**

**November 21, 2013**

### **PUBLIC SESSION**

A monthly meeting of the Board of Directors (the "Board") of the Small Business Loan Fund Corporation (the "Corporation") was held in public session at the offices of the Rhode Island Economic Development Corporation, 315 Iron Horse Way, Suite 101, Providence, Rhode Island on Thursday, October 24, 2013, scheduled for 9:30 a.m., pursuant to notice of the meeting to all Directors, and public notice of the meeting as required by the By-Laws of the Corporation and by Rhode Island General Law 42-46-6.

The following Directors were present and participated throughout the meeting: Mr. Raymond Fogarty, Mr. John Pagliarini, and Mr. Richard DeMerchant.

The following Directors were absent: Mr. Jose Monteiro and Ms. Yahaira Placencia.

Also present were: Stacy Farrell, Corporation Secretary, Mr. Daniel Price, Corporation Administrator, Ms. Denise Barge, Corporation Staff, Mr. Marcel Valois, Executive Director of the Rhode Island Economic Development Corporation, and Ellen Corneau, Esq., Moses Afonso Ryan Ltd.

Mr. Fogarty presided over the meeting.

**1. Call to Order.**

Mr. Fogarty called the meeting to order at 9:37 a.m.

**2. Approval of the Minutes of the Meeting held on October 24, 2013**

The first item to come before the Board was approval of the Minutes of the Board meeting held on October 24, 2013. Upon motion duly made by Mr. DeMerchant and seconded by Mr. Pagliarini, the motion to approve the Public and Executive Session Minutes of the above noted meeting as presented was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Pagliarini, Mr. Fogarty and Mr. DeMerchant.

The following Directors voted against the foregoing: None

The following Directors were absent for the vote: Ms. Placencia and Mr. Monteiro.

**3. Maintain the Executive Minutes of the October 24, 2013 meeting as Confidential**

The next item to come before the Board was a vote to maintain the confidentiality of the Executive Session Minutes of the Board meeting held on October 24, 2013. Upon motion duly made by Mr. DeMerchant and seconded by Mr. Pagliarini, the motion to maintain the confidentiality of the Executive Session Minutes of the above noted meeting as presented was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Pagliarini, Mr. Fogarty and Mr. DeMerchant.

The following Directors voted against the foregoing: None

The following Directors were absent for the vote: Ms. Placencia and Mr. Monteiro.

**4. Report of Cash Position as of September 30, 2013**

Staff asked if there were any questions or comments regarding the Cash Report for the period ended October 31, 2013 (Exhibit A). Staff noted that since the creation of the report Epoch Sleep Centers and Greenwich Safety had closed and funded. There was no further discussion regarding this report.

**5. Delinquency Loan Report as of November 15, 2013**

Mr. Fogarty asked if there were any questions regarding the Loan Delinquency report dated November 15, 2013 (Exhibit B). Mr. Price noted that further discussion could take place in Executive Session regarding any legal action to be taken against delinquent Borrowers. He also stated that Design Formations was in the process of closing on additional financing and the loan could be paid off. If he was unable to obtain the financing a modification of the credit may be needed.

**6. Approval of the Regular Meeting Schedule of the Corporation for 2014**

Staff presented a draft of the proposed meeting schedule of the Corporation for 2014. There was some discussion regarding changing the dates from the third Thursday each month to the last Thursday and changing the time to 9:00 a.m. Staff noted the changes and indicated a revised schedule would be brought before the Board at December's meeting.

**7. To Discuss Appointment of an Administrator for SBLFC**

Staff noted that Mr. Esten's departure left a vacancy in an Administrator role for the Corporation. They felt that since some procedures require two Administrator signatures that it would be best to appoint a third person to the position as there were only two at the present time. It was suggested that Ms. Denise Barge be appointed as Administrator of the

Corporation. Upon motion duly made by Mr. Pagliarini and seconded by Mr. DeMerchant, the motion to appoint Denise Barge as an Administrator of the Small Business Loan Fund Corporation was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Pagliarini, Mr. Fogarty and Mr. DeMerchant.

The following Directors voted against the foregoing: None

The following Directors were absent for the vote: Ms. Placencia and Mr. Monteiro.

## **8. Other Business**

There was no other business brought before the Board in Public Session.

## **Executive Session**

Mr. Fogarty suggested that the Board move into Executive Session. Upon motion duly made by Mr. Pagliarini and seconded by Mr. DeMerchant, the motion to move the meeting into Executive Session pursuant to Rhode Island Open Meetings Law 42-46-5(a)(6) of the General Laws of the State of Rhode Island, as amended, was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Pagliarini, Mr. Fogarty and Mr. DeMerchant.

The following Directors voted against the foregoing: None

The following Directors were absent for the vote: Ms. Placencia and Mr. Monteiro.

Public Session concluded and Executive Session began at 9:49 a.m.

## **9. Executive Session Vote Ratification**

Mr. Fogarty called for ratification of the votes adopted during Executive Session. Upon motion duly made by Mr. Pagliarini and seconded by Mr. DeMerchant, the following votes were ratified:

(a) To table the request from Colonial Mills regarding modification of the deferred interest rate until the December meeting.

(b) To approve the request from T.O. Nam Sausage Inc. for a \$75,000 loan.

The following Directors voted in favor of the foregoing: Mr. Pagliarini and Mr. Fogarty.

The following Directors voted against the foregoing: Mr. DeMerchant.

The following Directors were absent for the vote: Ms. Placencia and Mr. Monteiro.

(c) To confirm the loan denials of the following companies:

- Commercial Heating Services - \$250,000
- Suite Tart LLC- \$50,000
- Baby's Journey Inc.- \$250,000

The following Directors voted in favor of the foregoing: Mr. Pagliarini, Mr. Fogarty and Mr. DeMerchant.

The following Directors voted against the foregoing: None

The following Directors were absent for the vote: Ms. Placencia and Mr. Monteiro.

### **Adjournment**

There being no further business to come before the Board, Mr. Fogarty called for a vote to adjourn the meeting. Upon motion duly made by Mr. Pagliarini and seconded by Mr. DeMerchant, the motion to adjourn the meeting was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Pagliarini, Mr. Fogarty and Mr. DeMerchant.

The following Directors voted against the foregoing: None

The following Directors were absent for the vote: Ms. Placencia and Mr. Monteiro.

The meeting was adjourned at 11:12 a.m.

Respectfully submitted,

/s/ Stacy Farrell  
Stacy Farrell, Secretary